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STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1996-97)

ELEVENTH LOK SABHA

MINISTRY OF RURAL AREAS AND EMPLOYMENT

(DEPARTMENT OF RURAL EMPLOYMENT AND POVERTY ALLEVIATION)

DEMANDS FOR GRANTS—1996-97

FIFTH REPORT

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LOK SABHA SECRETARIAT
NEW DELHI

August, 1996/Bhadra, 1918 (Saka)

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Presented to Lok Sabha on 30th August, 1996
Laid in Rajya Sabha on 30th August, 1996

LOK SABHA SECRETARIAT
NEW DELHI

August, 1996/Bhadra, 1918 (Saka)

STANDING COMMITTEE ON URBAN AND RURAL DEVELOPMENT (1996-97)

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INTRODUCTION

I, the Chairman of Standing Committee on Urban and Rural Development (1996-97) having been authorised by the Committee to submit the Report on their behalf, present the Report on Demands for Grants (1996-97) of the Department of Rural Employment and Poverty Alleviation of the Ministry of Rural Areas and Employment.

2. Demands for Grants have been examined by the Committee under Rule 331E(1)(a) of the Rules of Procedure and Conduct of Business in Lok Sabha.

3. The Committee took evidence of the representatives of the Ministry of Rural Areas and Employment (Department of Rural Employment and Poverty Alleviation) on 19th August, 1996.

4. The Report was considered and adopted by the Committee at their sitting held on 26th August, 1996.

5. The Committee wish to express their thanks to the officers of the Ministry and Department who appeared before the Committee and placed their considered views. They also wish to thank the Ministry/Department for furnishing the written replies on the points raised by the Committee. They would like to place on record their sense of deep appreciation for the invaluable assistance rendered to them by the officials of the Lok Sabha Secretariat attached to the Committee.

NEW DELHI;
August 28, 1996
Bhadra 6, 1917 (Saka)

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on Urban and Rural Development.

CHAPTER I

INTRODUCTORY

Three fourth of the country's population live in rural India. The development of rural area and the rural people has been the central concern of development planning. With the passage of time Indian economy has undergone notable changes. Ministry of Rural Areas and Employment endeavors to reach out to the last and most disadvantaged sections of society, provide them with self employment or wage employment and to improve their life support systems and infrastructure.

1.2 The Ministry of Rural Areas and Employment came into being by renaming the Ministry of Rural Development on 8th March, 1995. The ministry of Rural Areas and Employment at present encompasses the following Departments:

A. Department of Rural Development,

B. Department of Wastelands Development, and

C. Department of Rural Employment and Poverty Alleviation.

1.3 The focus of the Department of Rural Employment and Poverty Alleviation during 1995-96, continued to be on provision of self employment, wage employment and area development programmes. The programmes that are being implemented by the Department are:

1. Self Employment and Income Generation Programmes:

   — Integrated Rural Development Programme (IRDP)

   — Supply of Improved Tool Kits to Rural Artisans

   — Development of Women and Children in Rural Areas (DWCRA)

   — Training of Rural Youth for Self Employment (TRYSEM)

2. Wage Employment and Infrastructure Development Programmes:

   — Jawahar Rozgar Yojana (JRY)

   — Indira Awaas Yojana (IAY)

   — Million Wells Scheme (MWS)

   — Employment Assurance Scheme (EAS)

3. Special Area Programmes :

   — Drought Prone Area Programme (DPAP)

   — Desert Development Programme (DDP)

1.4 During the year 1995-96, out of the existing three streams of Jawahar Rozgar Yojana, in the 1st-stream-JRY, IAY and MWS were made separate programmes, in the 2nd -stream-JRY, Intensifed-JRY was merged with EAS, and in the 3rd-stream-JRY Innovative-JRY was continued. Similarly, the Scheme of Rural Housing was merged with the IAY. However, the UNICEF's financial support to DWCRA programme of 20% fund allocation was withdrawn w.e.f. 1.1.1996.

1.5 In the present Report, the Committee have restricted its examination to only major issues concerning programmes that are being implemented by the Department of Rural Employment and Poverty Alleviation relating to poverty alleviation, employment generation and housing in the context of the budget and Demands for Grants for the ensuing year i.e. 1996-97.

CHAPTER II

ANALYSIS OF DEMANDS FOR GRANTS OF THE DEPARTMENT OF RURAL EMPLOYMENT AND POVERTY ALLEVIATION

Demand No. 73
Overall Performance

The Eighth Plan outlay for the Ministry of Rural Areas and Employment has been fixed at Rs 30,000,00 crores which includes Rs. 23,884.00 crores for the Department of Rural Employment and Poverty Alleviation.

(i) Plan Scheme Outlay for 1996-97

2.2 The Department of Rural Employment and Poverty Alleviation have presented Demand for Grants of Rs. 6437.00 crores for the year 1996-97 as against Rs. 5541.265 crores (actuals) during 1994-95 and Rs. 6434.00 crores of RE 1995-96. The year-wise details of the Demands for Grants 1996-97 of the Department is given at Annexure-I.

2.3 It can be seen that there is an increase of 7.91 % in BE 1995-96 over BE 1994-95, and 25.29% increase in BE 1994-95 over BE 1993-94, whereas the outlay for 1996-97 has been kept at the level of BE 1995-96 which does not reflect any hike due to inflationary trends. The Scheme-wise outlay for the year 1996-97, as proposed, agreed during the plan discussion and finally approved by the Planning Commission is as given at Annexure-II.

2.4 The Committee observe that the total outlay of the Department has been pagged at the level of BE 1995-96. Rural areas of the country account for nearly three fourth of the size of the Country and have a much larger concentration of people living below the poverty line. The Department is dealing with poverty alleviation in rural areas and is giving attention to various specific programmes which envisage a direct and frontal attack on rural poverty alleviation that needs utmost importance. The Committee feel that the plan outlay of Rs. 6437.00 crores for 1996-97 is not sufficient to meet the target fixed for different Schemes of the Department. Even the Department in the written replies furnished before the Committee

have stated that due to inflation, the physical achievement will be less than what was achieved last year with the same allocation. The Committee note that the Department placed before the Planning Commission an outlay of Rs. 9500.00 crores out of which Rs. 5437.00 crores i.e. the same allocation as BE 1995-96 has been allocated. The Committee are concerned about the lesser allocation which will adversely affect the targets fixed by the Department as acknowledged by them. The Committee are also concerned over the outlay made by the Planning Commission over proposed outlay of the Department and recommend that outlay for 1996-97 should be increased from Rs. 6437.00 crores to Rs. 9500.00 crores as proposed by the Department.

2.5 **As per the written information forwarded to the Committee the actual expenditure is Rs. 6395.85 crores against the total outlay of Rs. 6437.00 crores, during 1995-96. Thus there was an unspent balance of Rs. 41.15 crores during 1995-96. Similarly, during 1994-95 an amount of Rs. 5596.01 crores were actually spent against an outlay of Rs. 5965.00 crores resulting in an unspent balance of Rs. 368.09 crores. On the one hand the Department feels the outlay to be low in comparison to the proposal made during the plan discussions and on the other hand what ever meagre amount is available with the Department, could not be spent fully. In view of the above, the Committee recommend that the amount available with the Department should be spent fully. Simultaneously the Department should find out ways-and-means to avoid continuous accumulation of unspent balance over the years.**

(ii) Non-Plan outlay

Demand No 71
Major Head 3451

2.6 As per the detailed Demands for Grants 1996-97, the Budget allocations net of recoverties, of the Department of Rural Development is as under:

Year	Non-Plan Allocation (In Crores of Rupees)	Percentage increase
BE 1995-96	4.50	—
RE 1995-96	5.54	23.11%
BE 1996-97	5.74	3.61%

2.7 It is also mentioned that the major Head 3451 is regarding Secretariat-Economic Services and the provision mentioned above is for expenditure on Secretariat of the Department of Rural Development and Department of Rural Employment and Poverty Alleviation.

2.8 As per the written information forwarded to the Committee the bifurcation of the Departments of Rural Development and Rural Employment and Poverty Alleviation was done *vide* Cabinet Secretariat's Notification No CD-163/95 dated 8.3.1995.

2.9 **The Committee note that the restructuring and reallocation of activities between the two Departments of Ministry of Rural Areas Employment has been effected since months back. But the Department of Rural Employment and Poverty Alleviation continues to charge amounts like the Secretariat-Economic Services from the Head of Account of Department of Rural Development (Demand No. 71). In the detailed Demands for Grants 1996-97 forwarded to the Committee the allocation under the Secretariat-Economic Services has not been separated/segregated specifically for the Department of Rural Development and Department of Rural Employment and Poverty Alleviation. The Committee also note that if the allocation made under the major head 3451 for the Department of Rural Employment and Poverty Alleviation is added to the existing demand of the Department of Rural Employment and Poverty Alleviation during 1996-97, the total allocation will exceed the allocation of Rs. 6437.00 crores for Department of Rural Employment and Poverty Alleviation alone and hence will also exceed Rs. 23,884.00 crores of the 8th plan outlay fixed for the Department of Rural Employment and Poverty Alleviation. In view of the above, the Committee as such, recommend, the major head 3451 depicting Secretariat-Economic Services head should be reallocated separately for Department of Rural Development and Department of Rural Employment and Poverty Alleviation. More over the Committee feel that the Department of Rural Employment and Poverty Alleviation should have their separate Secretariat head and should show the expenses made on this item under the non-plan head of the Department of Rural Employment and Poverty Alleviation under Demand No. 73.**

(iii) Unspent Balances of Different Schemes

2.10 As per the written information forwarded to the Committee the accumulated unspent balance as on 1.4.95 under different Schemes of the Department of Rural Employment and Poverty Alleviation is as follows:

The Schemes where unspent Balances are reported as on 1995-96 since inception* of the respective Schemes

IRDP		Rs. 377.52 crores
	Improved Tool kits	Rs. 11.305 crores
	DWCRA	Rs. 2.28 crores
	Trysem (Recurring Expenses)	Rs. 5.57 crores
JRY	(Ist Stream)	Rs. 755.40 crores
	(Intensified JRY)	Rs. 429.43 crores
IAY		Rs. 203.92 crores
MWS	(Availability Minus Expenditure)	Rs. 58.45 crores
EAS		Rs. 539.81 crores
DPAP		Rs. 47.46 crores
DDP		Rs. 31.15 crores
Rural Housing	1995-96	Not provided
	1994-95	Rs. 0.055 crores

*The unspent balances since inception have only indicated in respect of IAY and MWS

2.11 **The Committee note with concern, the huge accumulation of unspent balances over the years in each of the Schemes mentioned above since their inception. The Committee regret to note that for Rural Housing the information on unspent balances were not available with the Department. The Committee would like to know the reasons for accumulation of huge unspent balances scheme-wise. The Committee need hardly emphasise that given the huge task of alleviating rural poverty, the Department can hardly make any room for unspent balances under any Scheme. The Committee recommend that the amount released for each Scheme should be spent fully.**

(iv) Rural Poverty

2.12 On the question what is the percentage of people living below poverty line in rural areas of the country, the Department in their written reply have stated that the estimates of people living in rural areas are made by the Planning Commission based on household consumer expenditure data collected by the National Sample Survey Organisation. The latest year to which such poverty estimates are available relate to 1987-88. At the all India level, 28.37% of the rural people were below the poverty line in 1987-88. On another question whether the Department formulated any action plan to benefit the entire rural population living below the poverty line the Department have stated that the Ministry of Rural Areas & Employment is considering a proposal for achieving the objective of eradication of rural poverty by 2005 AD as envisaged in the Common Minimum Programme of the Government.

2.13 The Secretary, during the course of evidence admitted as below:—

> "We have given the thought today and we have to exercise that thought of eradicating poverty in the foreseeable future".

2.14 **The Committee feel the Department of Rural Employment & Poverty Alleviation's calculation to eradicate rural poverty by 2005 AD (i.e. in another 9 years) seems to be over-ambitious. During the course of evidence, even the Secretary while expressing the actual impact of one of the Programmes being implemented by the Department opined that about 15 per cent of the people only have crossed the poverty line if we take Rs. 11,000/- as the poverty norm. Pointing out to the programme he continued:**

> "Similarly on the IRDP programme some of those who have gone out of the poverty track might have come back".

In view of the above, the Committee recommend the Department to chalk out a realistic time frame of 15 to 20 years by which the rural poverty can be eliminated completely. The Committee also recommend the Department to demand a sizeable amount of the plan outlay to meet this enormous task.

2.15 **The Committee note that the existing calculation of people living below poverty line by the Planning Commission is based on a survey conducted during 1987-88. Since then, 9 years has been passed and Indian economy has undergone many changes, during**

this period. The Committee feel such old estimates of people living below poverty line does not reflect a correct position. Therefore, the Committee urge the Department to request the Planning Commission for an up-to-date estimation of people living below the poverty line.

2.16 The Committee observe that the existing poverty estimates are derived by using the poverty line of Rs. 132.0 per capita per month for rural areas and Rs. 152.3 per capita per month for urban areas at 1987-88 prices, corresponding to the poverty lines of Rs. 49.10 and Rs. 56.60 respectively for 1973-74. During the 8th Five Year Plan this poverty line is updated and has been fixed by the Planning Commission at Rs. 11000.00 at 1992-93 prices and at present there are 28.37% people living below the poverty line. The Committee also observe, that as per the calculations made by different State Governments the percentage of people living below poverty line is as high as 52%. In view of the above, the Committee recommend the Department to urge the Planning Commission to conduct a realistic calculation of Poverty line which depict the correct position on the ground to fix the future programmes and priorities with regard to various programmes launched by Government for Rural Employment and Poverty Alleviation.

CHAPTER III

INTEGRATED RURAL DEVELOPMENT PROGRAMME

The Integrated Rural Development Programme was launched in all the blocks of the country on 2.10.1980 as a self-employment programme for rural poor families. The objective of this programme is to enable selected rural families living below the poverty line to enhance their income levels and cross the poverty line on a sustained basis. Assistance is given for the acquisition of income generating assets in the form of part subsidy by the Government and the remaining as term credit advanced by financial institutions. The target group consists largely of small and marginal farmers, agricultural labourers and rural artisans. Till 1993-94, the Antyodaya approach was being followed under the IRDP wherein the poorest of the poor were prioritized for assistance under the programme. With the expansion of Jawahar Rozgar Yojana (JRY) and the introduction of the Employment Assurance Scheme (EAS) a change in strategy was effected under the IRDP w.e.f. April, 1994 wherein the cut off line for the IRDP assistance at Rs. 8,500.00 was abolished making any family below the poverty line i.e. having an income below Rs. 11,000.00 eligible for assistance under the programme, provided the beneficiary had the necessary motivation, skill, aptitude and right mind set for taking up sustaining income generating projects.

3.2 Within the target group, there is an ensured coverage for certain categories-SCs/STs (50 per cent) women (40 per cent) and the physically handicapped (3 per cent). Piority in assistance is also given to the families belonging to the assignees of ceiling surplus land, green card holders covered under Family Welfare Programme and freed bonded labourers.

3.3 The pattern of subsidy is 25 per cent for small farmers, 33-1/3 per cent for marginal farmers, agricultural labourers and rural artisans and 50 per cent for SC/ST families and physically handicapped persons. The ceiling for subsidy is Rs. 6000 for SC/ST families and the physically handicapped; for others, it is Rs. 4000 in non-DPAP areas and Rs. 5000 in DPAP, DDP and DDP areas. In the case of irrigation schemes there is no monetary ceiling on subsidy but assistance is limited to the percentage of subsidy prescribed above.

3.4 The programme is being implemented in all the blocks of the country as a Centrally Sponsored Scheme funded on a 50:50 basis by the Centre and the States. The District Rural Development Agencies (DRDAs) are implementing this programme in the States.

3.5 The 8th Plan outlay of the scheme was Rs. 3350.00 crores. The likely expenditure for 1992-97, as per the written reply would be to the tune of Rs. 3007.57 crores.

The physical and financial targets and achievements under IRDP since 1994-95 is as below:—

Year	Physical			Financial		
	Targets (Lakh families)	Achie-vement	%Achv.	Targets (in Rs. crores)	Achie-vement	%Achv.
1994-95	21.15	22.14	104.68	550.00	546.10	99.29
1995-96	19.50	20.50	105.13	549.50	514.22	93.58
1996-97	—	—	—	534.50		--

3.6 **The Committee note that under IRDP there is no increase in the outlay for 1996-97 as compared to the budget estimates of 1995-96. Further as per the written note furnished to the Committee, subsidy to DRDAs was reduced from Rs. 549.50 crores to Rs. 534.50 crores (i.e. net reduction of Rs. 15.00 crores). They feel that the performance of IRDP would be adversely affected due to this reduction in subsidy.**

3.7 **It is noted that considering the challenging task of Poverty Alleviation before the country an outlay of Rs. 656.00 crores during 1996-97 is not sufficient. They would like to recommend that the outlay should be substantially stepped up keeping-in-view the higher proposed outlay i.e. Rs. 1000.00 crores.**

3.8 **The Committee note that per family investment during 1994-95 for an old family beneficiary i.e. Rs. 6764.00 and also per family investment for a new family beneficiary of Rs. 10312.00 is not sufficient for a person to come out of the poverty line. They feel that the target chasing exercise by the Department does not allow the beneficiaries to come out of the poverty line in one go. It is recommended that Government should judge the performance of the scheme qualitatively i.e. a person crossing the Poverty line, instead**

of quantifying i.e. number of beneficiaries assisted under the programme. To achieve this objective it is recommended that per-family investment should be substantially stepped up to enable a person to establish himself and cross the poverty instead of spreading the money so thinly and chasing the targets.

3.9 The Committee note that there is provision in the Scheme to provide second dose of assistance to the beneficiaries if they do not come out of the poverty line by giving initial assistance under the programme. They would like to recommend that more emphasis should be given to provide this second dose of assistance to achieve the qualitative results under the programme.

3.10 The Committee note that Banks *viz.*, Commercial, Cooperative and Rural Banks play a very important role in the implementation of the Scheme. It is regretted to note that the performance of banks is not satisfactory. The Committee note that not only there is abnormal delay in disposal of loan applications but there is bulk rejection of loan applications on flimsy grounds. The Committee feel that the loan should be advanced to the individuals keeping in view the position of the person and the viability of the project.

3.11 The Committee observe during the course of oral evidence that reason advanced by banks for bulk rejection of application is that recovery position is not good. As per the written information furnished by the Department the percentage recovery of bank loans (*viz.* Commercial, Cooperative, and Rural) was 28.76 per cent. It is noted that the Department has not furnished the bank-wise data regarding recovery separately for Commercial, Cooperative and Rural Banks. The Committee during evidence observed that the position of recovery in rural and cooperative Banks was much better than the Commercial Banks. They recommend that the bank-wise data separately for Commercial, Cooperative and Rural Banks should be maintained. The Department should also take corrective steps with respect to the poor recovery rate of Commercial Banks as compared to the Cooperative and Rural Banks.

3.12 The Committee find that the plea advanced by the banks for the poor performance of banks with regard to disbursement of loans is that the recovery position is very poor. The Committee further note that the quantum of unrecovered loan from beneficiaries is not that high, when compared to the statistics of loan recovery from large industrial houses or even medium and small commercial/

industrial houses. The Committee do appreciate the constraints being faced by the banks and suggest that the State Governments should also take necessary steps to help banks in the recovery of loans in coordination with DRDAs etc. Hence, the Committee feel the plea of banks that realization of loans from the beneficiaries is poor, cannot be accepted as a ground for the refusal of loan to the beneficiary.

3.13 It is also noted that Banks do not advance the maximum amount of loan (*i.e.* credit part) to the beneficiaries which is an impediment in the qualitative success of the programme. The Committee expresses it's displeasure that so far no significant improvement in the approach of banks have been contemplated. They recommend that the Department should take up the matter with RBI and the RBI should issue necessary instructions to the Scheduled Banks to cooperate in advancing the loan and also giving the maximum advance per beneficiary under the rules.

3.14 The Committee note with concern that in spite of the repeated attempts with regard to improvement in the disbursement of loan made by the Ministry of Finance on the request of the Ministry of Rural Areas & Employment during the last two years, the disbursement of loan by banks is not still satisfactory.

Loan admissible under the Scheme is not advanced to the beneficiaries fully and as such the beneficiaries are not able to properly utilise the money on the specific project for which the loan has been sanctioned. The Committee feel that this is the major cause for non-recovery of bank loans, as the beneficiary feel, there is no need to return the money. In view of the above, the Committee recommend that the selection of beneficiary, the Scheme and the disbursement of bank loans should be realistic and transparent so that the programme becomes successful.

3.15 The linkages between IRDP and its 3 components could not be established as per the concurrent evaluation of 1992-93. Only 2.13% of the families assisted under IRDP reported that they were assisted under DWCRA and another 3.88% of the beneficiaries reported receiving training under TRYSEM. In view of the above, the Committee recommend that the Department should initiate corrective actions to establish the linkages between IRDP & it's components in keeping with the provisions of the Guidelines.

(i) Supply of Improved Tool Kits to Rural Artisans

3.16 The Scheme of Supply of Improved Tool Kits to Rural Artisans was launched in July, 1992. Under the Scheme, artisans from different crafts, except weavers, tailors, needle workers and beedi workers, living below the poverty line are given improved tools to enable them to enhance the quality of their products, increase their production and income and to ensure a better quality of life by utilisation of improved tools. This scheme also intends to reduce their migration from rural areas to urban areas.

3.17 The average cost of a Tool Kit provided to the rural artisans is Rs. 2000/-. The unit cost is fixed by the DRDA. The artisans are required to contribute 10 per cent of the cost as their contribution and the balance 90 percent is provided as subsidy by the Central Government. Under this programme, any suitable improved hand tool is to be provided. Prototypes of modern tools in pottery, carpentry, blacksmithy, leather work, wood craft, metal craft and lacquerware have been developed by the National Small Industries Corporations, Regional Design and Technical Development Centre under the Development Commissioner (Handicrafts) and other Organisations. If the State Governments feel that better alternatives of modern tools suitable to local conditions are available in their States, they are free to choose their models.

3.18 The scheme has been extended to all the districts in the country from 1994-95. At the district level, DRDA is the nodal agency.

3.19 The Committee observe that the supply of improved tool kits to Rural Artisans is a sub-scheme of IRDP and an outlay for the scheme during 1995-96 is Rs. 40.00 crores. They observe that during 1995-96 there was huge unspent balance amounting to Rs. 11.30 crores as compared to the small size of the Scheme. The Committee would like the explanation of the Department in this regard. It is also recommended that the scheme should be monitored properly to ensure its proper implementation.

(ii) Development of Women & Children in Rural Areas (DWCRA)

3.20 The special programme for the Development of Women and Children in Rural Areas (DWCRA) aims at strengthening the gender components of the IRDP. DWCRA was introduced in 50 districts of the country in 1982-83, as a sub-scheme of IRDP with the UNICEF cooperation. There has been phased expansion every year under DWCRA and from the year 1994-95, DWCRA has been extended to all

the districts in the country. However, the UNICEF's financial support of 20% fund allocation to DWCRA programme was withdrawn w.e.f. 1.1.1996.

3.21 The Primary objective of the DWCRA programme is to focus attention on the women members of rural families living below the poverty line with a view to providing them with opportunities of self-employment on a sustained basis. The women members of DWCRA from groups of 10-15 women each for taking up economic activities suited to their skill, aptitude and local conditions. Through the strategy of group formation, this programme also aims to improve women's access to basic services like family welfare, health, nutrition, education, child care, water and sanitation.

3.22 The Eighth Plan allocation of this scheme was Rs. 150.00 crores against which an expenditure of Rs. 198.55 crores is expected during 1992-97.

The physical and financial targets and achievements under DWCRA since 1994-95 is as below:—

	Physical			Financial		
Year	Targets (No. of Groups)	Achie-vement	%Achv.	Targets (In Rs. crores)	Achie-vement	%Achv.
1994-95	13400	37964	283.31	21.00	30.98	147.52
1995-96	30000	22777	75.92	65.00	63.00	96.92
1996-97	32500	—	—	65.00	—	—

3.23 The Committee note that there is mismatch between the physical and financial achievement during 1995-96. The physical achievement has been stated as 75.92% against the financial achievement by 96.93%. The Committee would like to have an explanation of the Government in this regard.

3.24 The Committee note that out of 35310 Groups started by 1995-96, 2126 Groups are found to be defunct. The Committee would like to have the explanation of the Department in this regard.

3.25 The Committee note that DWCRA is a good programme for upliftment of women and children in rural area whereby women with the additional income to the family can help the family in

crossing the poverty line. However, it is noted that there are serious flaws in the implementation of the Scheme. The Committee would like to urge that the Scheme should be properly monitored so that the benefit of the Scheme goes to the really needy persons. It is also recommended that the various activities under the Scheme should be monitored properly.

(iii) Training of Rural Youth for Self Employment (TRYSEM)

3.26 TRYSEM which is a facilitating component of IRDP was started on 15th August 1979, aims at providing basic technical and entrepreneurial skills to rural youth in the age groups of 18 to 35 years from families living below the poverty line to enable them to take up income generating activities. The minimum age for providing training under TRYSEM is relaxed to 16 years for inmates of orphanages in rural areas, while the upper age limit of 35 years has been relaxed upto 45 years in case of widows, freed bonded labourers, freed convicts, projects and cured leprosy patients. The training is need-based. The duration of training is for six months, though the State Level Coordination Committee can change the duration. Every TRYSEM trainee is a potential IRDP beneficiary. Willing TRYSEM trainees are provided assistance under IRDP on completion of their training programme.

3.27 Under the scheme two types of financial assistance are provided:—

(a) Recurring expenses on TRYSEM training: for stipends to trainees, honorarium to training institution/master craftsmen, tool kits which are given free of cost to trainees and purchase of raw materials; and,

(b) Non-recurring expenses for TRYSEM Infrastructural Development, including building, equipment and training aids.

3.28 Training is imparted both through formal training institutions like ITIs, Nehru Yuvak Kendras (NYKs), Polytechnics, Krishi Vigyan Kendras, Khadi and Village Industries Boards, State Institutes of Rural Development, Extension Training Centres, Institutes run by NGOs etc.; and also through non-institutionalised modes like the Master Craftsmen functioning from their own place of work.

3.29 Under TRYSEM, minimum of 50 percent of selected youth should belong to the SC/ST communities. The coverage of women among the rural youth trained should be at least 40% while a minimum

of 3% of the benefits should be earmarked for physically handicapped persons.

3.30 The Eighth Plan outlay of this scheme was Rs. 300.00 crores against which, as per the written reply of the Department, the likely expenditure for 1992-97 would be Rs. 50.88 crores.

The physical and financial targets and achievements under TRYSEM since 1994-95 is as below:

Year	Physical			Financial		
	Targets (In Lakh Trainees)	Achie-vement	%Achv.	Targets (In Rs. crores)	Achie-vement	%Achv.
1994-95	3.18	2.82	88.68	14.00	8.99	64.21
1995-96	3.70	2.62	70.81	14.00	13.96	99.71
1996-97	—	—	—	14.00	—	—

3.31 The Committee note with concern the unsatisfactory physical and financial performance of the scheme of TRYSEM. As per the written information forwarded to the Committee the financial achievement of TRYSEM was 64.21 percent during 1994-95 and 99.71 percent during 1994-95. Similarly, the physical performance of the scheme during 1994-95 and 1995-96 was 88.48 and 70.81 percent respectively. The Committee would like to have an explanation of the Department regarding the unsatisfactory performance of TRYSEM during the above years.

3.32 As per the written information forwarded to the Committee quick evaluation of TRYSEM last conducted during 1993 found 47.19% of the beneficiaries were employed after training. The Committee would like to know the reasons of unemployment of targetted beneficiaries. The Committee note that at present there is no proper in-built mechanism for rehabilitation of a TRYSEM beneficiary after he/she obtains training, by which the beneficiary can obtain further assistance from the nodal agency (*i.e.* DRDA). The Committee feel that some rehabilitation scheme for the TRYSEM beneficiary should be in-built in the guidelines of TRYSEM. They would like to recommend that corrective measures should be initiated by the Department to make TRYSEM scheme a success.

3.33 The Committee note with concern the findings of the quick evaluation of TRYSEM in which it was found that a major portion

of TRYSEM trainees, *i.e.* 53.57% did not apply for loan under IRDP. The Committee find during the training period the beneficiaries could not be motivated enough to accept the IRDP loan after the completion of the training. They also note the guidelines of TRYSEM stipulate every TRYSEM trainee to be a potential IRDP beneficiary. Equal alarming is the fact that of the total beneficiaries who applied for loan under IRDP (*i.e.* 46.43%) only about 50% of them were given assistance under IRDP. Thus the Committee finds that the linkages between IRDP and TRYSEM have not been established so far. In view of the above, the Committee recommend that the linkages between the IRDP and TRYSEM should be established and strengthened as per the guidelines.

3.34 The Committee feel the training provided under TRYSEM should cater to the local needs to make the programme more realistic. The Committee desire the guidelines of TRYSEM should be modified keeping in view the particular need of a particular area. In this regard, the Committee recommend the Department to establish mini ITIs to see that the local talent available can be harnessed and subsequently gainfully employed.

CHAPTER IV

JAWAHAR ROZGAR YOJANA (JRY)

Jawahar Rozgar Yojna (JRY) has been in operation since 1989. The primary objective of the JRY is the gneration of additional gainful employment for the unemployed and underemployed persons in the rural areas. The secondary objective is creation of sustained employment by strengthening rural infrastructure and assets in favour of the rural poor for their direct and continuing benefits, and for improvement thereby in overall quality of life for people in the rural areas. People below the poverty line are the target group under the JRY but preference is given to SCs/STs and freed bonded labourers and to women. 30% of the employment opportunities are earmarked for women. The expenditure under this programme is shared between the Centre and States on an 80:20 basis.

4.2 Based on the experiences gained in the implementation of the JRY and to achieve the objective of providing 90-100 days of employment per person in backward districts, where there is a concentration of unemployment and under-employment, the JRY was modified in 1993-94. Since then it was being implemented in the three Streams till 1.1.1996 when General JRY and Innovative JRY become it's only components.

4.3 The States may spend upto a maximum of 2 per cent of the funds utilised during a year on Administration/contingencies. DRDAs/ Zila Parishads are also allowed to spend a maximum of Rs. 50,000 to meet the training expenses of the officials/non-officials involved in the implementation of the JRY at the district/block/village panchayat level provided that at least 50% of this must be spent on training of non-officials. After providing for earmarked sectors of IAY, MWS (now made separate schemes) and training expenses, 80 percent of the remaining funds are distributed amongst the Village Panchayats and the remaining 20% are retained at the district level for inter block/ village works.

4.4 At both the district and Village Panchayat level, 10 per cent of the funds allocated are allowed to be spent on maintenance of the assets created under the erstwhile programmes of NREP/RLEGP and JRY which are not maintained by the State Government.

4.5 The resources of two or more Districts/Village Panchayats can be pooled to take up works for common benefits of the concerned District/Village Panchayats. Works may be taken up for execution anytime during the year whenever the need for employment generation is felt. They are preferably to be started during lean agricultural season but may continue thereafter during the busy agricultural season too. Contractors or middlemen are not to be engaged for executing any of the works under the Yojana. Atleast 60% of resources have to be spent on the wage component. From the year 1993-94, it has been decided that the wages paid to the skilled labourers will be assessed as a part of the wage component, subject to a limit of 10% of the total wage cost.

4.6 Wages under JRY are paid at the rate notified for the prescribed Schedule of Employment under the Minimum Wages Act for the relevant works and may be paid partly in cash. The rate of distribution of foodgrains has been prescribed at 2 kg. per manday. However, the payment of wages in foodgrains is optional from September, 1993. Payment of wages has to be made on a fixed day of the week and should not be delayed by more than a week except at the option of workers and in the latter case for not more than 15 days.

4.7 The Innovative-JRY: A small portion of JRY funds is earmarked for taking up special and innovative projects such as those aimed at prevention of migration of labour, enhancing women's employment, special programmes through voluntary organisations aimed at drought proofing as well as watershed development/wasteland development, resulting in sustained employment. The projects under this Stream of Jawahar Rozgar Yojana (JRY) are approved at Central level by a Screening Committee set up by the Ministry of Rural Areas and Employment. In case suitable and adequate projects are not received, the surplus funds under this Stream are utilised under the General-JRY stream.

4.8 The 8th Plan Outlay for JRY was fixed at Rs. 18400.00 crores. After the separation of IAY & MWS during 1995-96 the likely expenditure is expected to be Rs. 14923.74 crores.

The physical and financial targets and achievements under JRY since 1994-95 is as below:—

Year	Physical			Financial		
	Targets (In Million Mandeeys)	Achie-vement	%Achv.	Targets (In Rs. crores)	Achie-vement	%Achv.
1994-95	986.55	951.71	96.47	3855.00	3497.53	90.73
1995-96	848.00	895.82	105.64	3862.00	3686.59	95.46
1996-97	444.35	—	—	1865.00	—	—

4.9 The Committee note that there is a reduction of outlay for JRY during 1996-97. The outlay for JRY during RE 1995-96 was Rs. 2955.00 crores where as the BE 1996-97 has been reduced to Rs. 1865.00 crores during 1996-97. The Committee observe that the performance of JRY will be adversely affected by this reduction. The Committee, therefore, recommend that Department to enhance the allocation for JRY.

4.10 As per the written reply forwarded to the Committee during 1995-96, physical achievement of 895.82 million mandays was achieved against the target of 848.00 (% achievement being 105.64%) against the financial achievement of 95.46%. The Committee would like to know the reasons for this mismatch and would like to urge the Department to fix the physical target achievement vis-a-vis financial achievement under JRY, realistically.

4.11 The Committee note that a major restructuring of JRY has been undertaken from 1.1.96 as a result of which only 2 component of JRY exist as present. They note that 1st component i.e. General-JRY has 75% of the annual funds allocation whereas the 2nd component i.e. Innovative JRY has 5% of the annual JRY allocation. The Committee regret to note that existing guidelines are silent on the allocation of rest 20% of JRY funds. They urge the Government to issue a clear cut guideline depicting 100% allocation of JRY funds.

4.12 The Committee note that there are complaints in the States about the uniform application of the guidelines issued by the Centre. They also note often, guidelines are never followed scrupulously. In view of the above, the Committee recommend that monitoring of different Schemes under JRY should be further strengthened.

4.13 As per the written information forwarded to the Committee funds under JRY are earmarked for taking up special and innovative projects resulting in sustained employment. They note that construction of Middle and Senior Secondary Schools are not taken up under JRY. The Committee therefore, recommend that under JRY provision for construction of Middle and Senior Secondary Schools both for the Science and Non-Science faculties be taken up.

CHAPTER V

INDIRA AWAAS YOJANA (IAY)

The objective of Indira Awaas Yojana is to provide dwelling units, free of cost to rural poor living below the poverty line. The benefits under the scheme, which were earlier limited to SCs/STs and freed bonded labourers below the poverty line, have been extended to non-SCs/STs also. Accordingly, from the year 1993-94, the sectorial earmarking for IAY has been raised from 6% to 10% and its scope extended to cover non-SC/ST poor, subject to the condition that the benefits to the non-SC/ST poor does not exceed 4% of the total allocation. With effect from 1.8.1996, the permissible expenditure on a house under IAY including the construction of sanitary latrine, and smokeless chulas has been increased from Rs. 14,000 to Rs. 20,000 in the plains and from Rs. 15,800 to Rs. 22,000 in remote or hilly areas.

5.2 The Scheme was made a separate scheme and the allocation under the scheme of Rural housing was merged with it from 1.1.1996. The Scheme is a 100% Centrally Sponsored programme. The resources are shared on 80:20 basis by the Centre and the States. The 8th plan outlay for the Scheme was not fixed since the programme was a part of the erstwhile Ist stream JRY. The likely expenditure for 1995-97 is expected to be Rs. 1238.88 crores.

The physical and financial targets and achievements under IAY since 1994-95 is as below:—

Year	Physical			Financial		
	Targets (In Lakh houses)	Achie-vement	%Achv.	Targets (In Rs. crores)	Achie-vement	%Achv.
1994-95	Not Fixed	3.90	—	—	500.38	—
1995-96	10.00	8.63	86.30	1094.99	1170.78	106.92
1996-97	11.26	—	—	1194.00	—	—

5.3 The Committee note that physical achievement under IAY during 1995-96 was 86.30% (i.e. Achievement of 8.63 Lakh houses

against target of 10.00 Lakh houses) against the financial achievement of 106.92% (i.e. Achievement of Rs. 1170.78 crores against the target of Rs. 1094.99 crores). The Committee would like to know the reasons for this mismatch and would like to urge the Department to set the physical targets realistically under the Yojana.

5.4 As per the written information forwarded to the Committee the permissible expenditure on a house has been increased recently to Rs. 20,000.00 in plains and Rs. 22,000 in hilly areas. The Committee note that even with the increased amount it is difficult to build a durable house under the Yojana. They also note, cost for constructing a house in perennially cyclone and flood prone areas is as high as the cost of a house in the hilly area. Therefore, the Committee urge the Department to rationally enhance the permissible assistance for construction of a house and suitably modify the guidelines to treat perennially cyclone and flood prone areas equally with the hilly areas.

5.5 The Committee note that the allocation of Rs. 1194.00 crores for 1996-97 is almost same as the expenditure of Rs. 1170.78 crores made during 1995-96. However, the Department has increased the physical target for 1996-97 to 11.26 lakh houses against the achievement of 8.63 Lakh houses during 1995-96. The Committee fail to understand the rationale as how the set physical target of 11.26 Lakh houses will be achieved when the permissible-expenditure per house has been increased. In view of the above, the Committee recommend the Department to fix realistic physical targets.

5.6 On a query how Rs. 0.60 Lakhs has been spent under IAY in Delhi during 1989-90 period without building any house, the Department in their written reply have stated that Delhi Government has not reported physical achievement despite reminders. The Committee are constrained to note that no concrete action has been taken so far by the Department on such mis-utilisation of funds. The Committee recommend for a strict action against the defaulting States/UTs. In vew of the above, they recommend that monitoring of IAY expenditure should be strengthened.

5.7 The Committee find different States/UTs do not follow uniform pattern for the involvement of elected representatives during the selection of beneficiaries under IAY. In this regard, the Committee recommend the elected representatives both at the Centre and State's level should be involved in the selection of beneficiaries under IAY and the guidelines should be modified accordingly to reflect these changes.

5.8 On the question what are the reasons for vacancy of built houses under IAY, the Department in the written reply have stated that in a few cases houses built under IAY were not occupied by the beneficiary as the sites were away from the main habitations or work places.

Similarly, on another question what are the reasons for non-availability of essential facilities in the constructed houses, the Department in the written reply have stated that the beneficiary is supposed to construct these facilities in his/her house and in some areas these facilities are not being used by the beneficiaries due to their living habits and life style. As per the CA&GI Report No. 2 of 1995 there are a large number of houses constructed under IAY which lacked sanitary facilities and were lying vacant. In view of the above, the Committee recommend that guidelines of IAY should be suitably modified to incorporate that in no cases the houses built under IAY should be located at far away places from the main habitations/ work places/hospitals/schools. They also recommend the guidelines should incorporate that no house built under IAY should lack basic amenities, specifically the sanitation.

(i) Rural Housing

5.9 The Centrally Sponsored Rural Housing Scheme came into effect during 1993-94. The scheme was launched to enhance and strengthen the ongoing programmes for rural housing of various States. Under the scheme funds are provided by the Ministry of Rural Areas and Employment to the States to the extent of 50% of the total allocation made by them for Rural Housing Programme including institutional finance for weaker sections and persons below the poverty line in rural areas under the Minimum Needs Programme (MNP), over and above the level of Expenditure incurred by them in 1992-93, as the base line. These funds are meant to be utilised only for expanding the physical programme.

5.10 This scheme has been merged with Indira Awaas Yojana with effect from 1.1.96. An allocation of Rs. 350.00 crores has been made for Rural Housing for the Eighth Five Year Plan keeping in view the necessity for a viable housing programme for the poor. The likely expenditure of the scheme, as per the written reply is expected to be Rs. 46.01 crores during 1992–97 period.

5.11 The Committee note that only 0.27 percent financial target has been made under the scheme during 1995-96 i.e. an expenditure

of Rs. 0.12 crores against an allocation of Rs. 45.00 crores. Similarly as per the written information forwarded to the Committee the likely expenditure of this Scheme is likely to be Rs. 46.01 crores during 1992–97 against the 8th Plan outlay of Rs. 350.00 crores. The Committee are constraint to note the poor utilisation of financial allocations under the Scheme. The Committee would like to know the reasons for such poor utilisation of funds.

CHAPTER VI

MILLION WELLS SCHEME

The objective of the Million Wells Scheme is to provide open irrigation wells, free of cost, to small and marginal farmers and freed bonded labourers who are below the poverty line. Where wells are not feasible due to geological factors, other schemes of minor irrigation like irrigation tanks, water harvesting structures and the development of lands belonging to small & marginal farmers can be taken up. The benefits under the scheme, which were earlier limited to SC/ST small and marginal farmers and freed bonded labourers below the poverty line, have been extended to non-SCs/STs also. Accordingly, from the year 1993-94, the scope of the MWS has been enlarged to cover non-SC/ST small and marginal farmers who are below the poverty line. Under the scheme, the sectorial earmarking which was 20% upto 1992-93 has also been raised to 30% from 1993-94 subject to the condition that the benefits to non-SC/ST do not exceed 10% of the total allocation.

6.2 The Scheme is now being implemented as an independent scheme *w.e.f.* 1.1.1996. MWS being Centrally Sponsored Scheme, the funds are shared between the Centre and the States on 80:20 basis. The 8th plan outlay for the Scheme was not fixed as it was operating under JRY. The likely expenditure for 1995-97 period is expected to be Rs. 480.00 crores.

The physical and financial targets and achievements under MWS since 1994-95 is as below:—

Year	Physical			Financial		
	Targets (In Lakh	Achie-vement Trainees)	%Achv.	Targets (In Rs.	Achie-vement crores)	%Achv.
1994-95	Not Fixed	1.59	—	—	776.18	—
1995-96	Not Fixed	1.43	—	559.07 (Centre	538.498 + State)	96.32
1996-97	Not Fixed	—	—	448.00 (Centre)	—	—

6.3 The Committee note that during 1995-96 there was an expenditure of Rs. 538.50 crores against target of Rs. 559.07 crores for the Scheme. They also note that physical performance of the Scheme has decreased from 1.59 Lakh wells during 1994-95 to 1.43 lakh wells during 1995-96. As per the written reply furnished to the Committee the physical targets under the Scheme is not fixed. The Committee recommend now that the MWS has been made a separate Scheme, some physical targets should be fixed under the Scheme to correctly judge it's performance.

6.4 As per the written reply furnished to the Committee apart from the Wells, other Scheme of minor irrigation like irrigation tanks, water harvesting structure and the development of lands are undertaken this Scheme. The Committee note that the Department at present does not maintain separate information on the other Schemes. In view of the above, the Committee recommend that Department to procure and maintain separate information on the other Schemes of MWS.

6.5 On the question what the Department is doing to avoid cases of (i) abandonment the construction of wells (ii) failure of wells, and (iii) deviation from the guidelines for permitting boring of wells or tube wells, the Department in the written reply have stated that the success of MWS should not solely be judged by the number of wells constructed during the year. Rather there are other activities on which MWS funds are being utilised. The Committee find the existing monitoring mechanism of the Scheme is not taking into account the ground realities. They recommend that the Department should properly monitor the Million Wells Scheme.

6.6 The Committee feel that to make the Million Wells Scheme a success, the Department should update the data for the level of ground water table at regular intervals. On this regard they recommend the Department should procure up-to-date information of the ground water table.

CHAPTER VII

EMPLOYMENT ASSURANCE SCHEME

With a view to provide assured purchasing power to the most needy persons in backward areas of the country, the Employment Assurance Scheme (EAS) was introduced from 2nd October, 1993. The blocks where EAS is implemented, are situated mainly in drought prone areas, desert areas tribal areas and hill areas in which the Revamped Public Distribution System (RPDS) is in operation. During the year 1995-96, the Scheme of Intensified-JRY was merged with the Employment Assurance Scheme. By 1995-96 this Scheme is in operation in 3206 blocks of the country. The objectives of EAS are to provide gainful manual employment during the lean agricultural season to all able bodied adults in rural areas and creation of economic infrastructure and community assets for sustained employment and development. The Scheme assures 100 days of unskilled manual work to men and women of over 18 years and below 60 years of age during the lean agricultural season. There can be a maximum of two persons per family as the beneficiary. The District Collector/Deputy Commissioner of the district is the Implementation Authority of EAS.

7.2 Works to be taken up under EAS is given a fixed percentage of activity in terms of water and soil conservation (40%), Minor Irrigation Works (20%), link roads featuring in Master Plans (20%) and Primary School and Anganwadi Buildings (20%).

7.3 The expenditure under the Schem is shared between the Centre and the States on 80:20 basis. The Central assistance is released directly to DRDAs/Zila Parishads (ZPs). The 8th Plan outlay for the Scheme was not fixed as the Scheme was started during 1993-94. The likely expenditure for 1993–97 period as per the written reply is expected to be Rs. 5274.29 crores.

The physical and financial targets and achievements under EAS since 1994-95 is as below:—

Year	Physical			Financial		
	Targets (In million	Achie-vement mandays)	%Achv.	Targets (In Rs.	Achie-vement crores)	%Achv.
1994-95	—	273.96	—	1200.00	1128.52	94.04
1995-96	—	342.79	—	1570.00	1705.69	108.64
1996-97	—	—	—	1970.00	—	—

7.4 The Committee note the satisfactory financial achievement of targets under EAS during 1994–96 period. They also note that the physical achievement under EAS is increasing from 273.96 million. mandays during 1994–95 to 342.79 million mandays during 1995–96. As per the written information forwarded to the Committee the total available funds under EAS during 1995-96 was Rs. 2671.45 crores out of which an expenditure of Rs. 1717.31 crores were made. Thus the percentage expenditure to total availability of funds become 64.28% during 1995–96 which was 69.59% during 1994–95 and 33.48% during 1993–94. Therefore, the Committee recommend the Department to fully utilise the available resources under the scheme.

7.5 As per the information furnished by the Department total number of EAS blocks in the country are 5452. Out of this 3206 blocks have been reported as covered under EAS. The remaining blocks numbering 2246 are yet to be covered. The Committee would like to recommend that Department should cover half of the not covered blocks i.e. 1136 during 1996-97.

7.6 As per the written information forwarded to the Committee EAS is under operation in the blocks which are situated mainly in the drought prone areas, desert areas, tribal areas and hilly areas in which the Revamped Public Distribution System (RPDS) is in operation. The Committee find the classification of block for the implementation of EAS is not fool-proof. The Committee feel and recommend, more funds should be provided to those blocks where concentration of SCs/STs is more and their condition is depressant/ backward.

CHAPTER VIII

DROUGHT PRONE AREA PROGRAMME

Drought Prone Area Programme is an Area Development Programme that was launched during 1993-94 and was recasted during 1994-95. The objectives of the programme are to mitigate the adverse effects of drought on crops and live stock, to encourage restoration of ecological balance, to promote economic development of village community and to improve economic and social conditions of the Poor Village Community. The programme is under implementation in 947 blocks in 149 Districts of 13 States, spread in 7.46 lac sq. kms.

8.2 The Programme is funded on 50:50 basis between the Centre and the States. The 8th Plan outlay for this programme was Rs. 500.00 crores. The Department in the written replies have stated that the likely expenditure 1992-97 is expected to be Rs. 458.96 crores.

The physical and financial targets and achievements under DPAP since 1994-95 is as below:—

Year	Physical			Financial		
	Targets (in hectare)	Achie-vement	%Achv.	Targets (In Rs. crores)	Achie-vement	%Achv.
1994-95	3303.23	2620.06	79.32	85.00	84.91	99.89
1995-96	Target of	4957	Watershed	125.00	120.60	96.48
1996-97	Project for	1995	—2000	125.00	—	—

8.3 The Committee appreciate the near full utilisation of financial targets under DPAP during 1994-96 period. As per the written reply of the Department a target of 4957 watershed projects has taken up for 1995-2000 period. The Committee find the physical progress of these projects during 1995-96 has not be provided. In view of the above the Committee recommend the Department to clearly monitor the progress made under the Scheme in recent years.

8.4 As per the written information forwarded to the Committee the Programme Ealuation Organisation (PEO) of Planning Commision has recently completed an evaluation study of DPAP in January 1995 which says watershed approach for integrated areas development was not adopted except in limited cases. The Committee would like to know why the watershed approach has not become successful for area development. The Committee would like to urge the Department to take immediate corrective steps in this regard.

CHAPTER IX

DESERT DEVELOPMENT PROGRAMME

Desert Development Programme is an Area Development Programme that was launched during 1977-78 and was recasted last, during 1994-95. The objectives of DDP are to control desertification, mitigate the adverse effects of drought on crops and live stock, to encourage restoration of ecological balance, to promote economic development of village community and to improve economic and social conditions of the poor village community. The programme is under implementation in 227 blocks in 36 Districts of 7 States, spread in 4.57 lac sq. kms.

9.2 The allocation is made per 1000 sq. kms. in Hot Desert Areas and on lump-sum basis per district in Cold Desert Areas. The funds under the programme is provided on 100% basis by the centre. The 8th plan outlay for this programme was Rs. 500.00 crores against which, as per the written reply of the Department, likely expenditure would be Rs. 410.63 crores.

The physical and financial targets and achievements under DPP since 1994-95 is as below:—

Year	Physical			Financial		
	Targets	Achie-vement	%Achv.	Targets (In Rs. crores)	Achie-vement	%Achv.
1994-95	1279.61	1063.39	83.10	85.00	84.60	99.53
1995-96	A Target of 1695 new Watershed			100.00	101.00	101.00
1996-97	Project for (1995 — 2000)			100.00	—	—

9.3 The Committee appreciate the near full utilisation of financial targets under DDP during 1995-96. As per the written reply of the Department a target of 1695 new watershed projects for 1995—2000 period. The Committee find the physical progress of these new watershed projects has not be provided while the corresponding allocation has been demanded. Therefore, the Committee recommend

the Department to mention and clearly monitor the progress made under the Scheme in recent years.

9.4 As per the written information forwarded to the Committee watershed project approach for the programme has been adopted for the development of drought prone areas. Further, the Committee also find the same approach being followed by other programmes/ Schemes like DDP and certain Schemes of Department of Wastelands Development. In view of this the Committee recommend the Department to initiate proper coordination among the different implementing agencies so as to avoid duplication of activities.

CHAPTER X

CONCLUSION

10.1 After detailed and in-depth examination of the implementation of Various Schemes/Programmes during 8th Plan in the light of information furnished by the Department, the main observations/recommendations of the Committee are as noted below:

(a) The Committee observe that actual allocation during the 8th Plan for the various Schemes/Programmes is far less than the 8th Plan outlay.

Out of the outlay of Rs. 23884.00 crores, the actual allocation as per the data furnished by the Department is Rs. 20828.46 crores after excluding the outlay of Rs. 4740.00 crores for Employment Assurance Scheme. Thus there is net underspending of Rs. 3055.54 crores under different Plan Schemes, during the 8th plan. It is needless to say here that due to the underspending in different Programmes/ Schemes, the poorest of the poor in the country is suffering. The Committee would like that during Ninth Five Year Plan, there should be proper planning and financial projection should be realistic for each programme/scheme, so that there is 100% utilisation. They urge that there should not be diversion of funds from one Scheme to the other. The Committee urge that the backlog of the 8th Plan outlay should be appropriately allocated in the different Schemes/ Programmes.

(b) Not only there is under-allocation and underspending in the 8th Plan outlay for different Projects/Schemes, but release of funds to States are lesser than the allocation. Another notable alarming feature is that there are huge unspent balances left with the States. In some of the States, the utilisation is marginal in specific programmes. The Committee also observe that under different programmes of the Department, States are not allocating the matching share. They would like that while chalking out the strategy

for Ninth Plan, Government should reconsider and review the programmes. If needed, the schemes/programmes not performing well should be restructured.

(c) The various factors responsible for the non-implementation of the various Schemes/Programmes of the Department are (i) the monitoring of the scheme is not adequate. States are not furnishing the Utilisation Certificate and unspent balances are increasing year by year (ii) States are not contributing the matching share as per the guidelines (iii) the financial allocation is not adequate (iv) there is lack of linkages which results into the blocking of funds with State Governments and with local bodies in the States (v) Identification of beneficiaries is not proper (vi) There is not adequate provision for the maintenance of assets created under the different programmes.

(d) (i) Financial institutions play a major role in many of the Poverty Alleviation Programmes being implemented in the country. But most often it is found banks stand as a bottleneck on the way of effective implementation. Not only there is inordinate delay in processing the loan applications but there is bulk rejection of application. To overcome this difficulty, the Committee urge the Department to fix a time limit of 10 to 15 days for sanction of loans by banks under any poverty alleviation Scheme/Programme.

(ii) The Committee find in some of the Programmes/Schemes like IRDP etc. banks are being involved in the selection of beneficiaries. It is also found banks reject the loan applications during scrutiny. Thus the banks reject those applications during scrutiny which they themselves have selected earlier. The Committee express their unhappiness over the misuse of scrutinising role of banks. They recommend that Department should review the scrutinising power of financial institutions especially for the programmes/schemes in which the institutions are involve in the process of selection of beneficiaries.

(e) As per the written information forwarded to the Committee the permissible limit for programme infrastructure under IRDP has been increased from 10% to 25% in North-Eastern States including Sikkim and from 10% to 20% in other parts of the country w.e.f. 1.1.1996 so that the projects can support adequate forward and backward linkage. The Committee

note that similar steps for increase in the permissible limit for programme infrastructure under all other Schemes/ Programmes be increased suitably.

(f) The Committee note that at present the Department does not maintain separate Scheme-wise data for the defaulter States which don't release matching State share of funds under different Schemes. In view of the above, the Committee recommend the Department to maintain and provide separate year-wise data for the defaulter States which don't release matching State share of funds under different schemes.

(g) The Committee find that under several programmes/ schemes investment per project is so little or even negligible that the programmes/schemes become unviable. This makes many of the programmes expenditure oriented rather than result oriented, through their distribution of funds. They find the Department does not make any effort to raise the per capita investment per project either by allocating more funds or by reducing the numerical targets. Thus the Department ends up in laying more stress on a wider coverage in terms of numbers of beneficiaries or even over-achievement of targets.

10.2 The Committee would like to recommend that :—

(a) Government should consider to enhance the Central share in the respective Schemes where the implementation of the Scheme is poor due to the fact that States are not providing the matching share.

(b) Monitoring of the programme should further be strengthened. It should be ensured that states furnish the utilisation Certificate timely. It should also be ensured that quarterly, monthly and annual reports are submitted in time by States. There should be timely review of the programme. It is noted that C&AG cover selective Scheme for review. In most of the Schemes no review has been made. The Committee would like to suggest that timely evaluation by some independent agencies should be made. Further there should be concurrent evaluation of the programmes. District level monitoring Committees should be constituted to monitor the programme. Further, monitoring by the Centre should be strengthened. There should be surprise visits by

the officials of the Committee to the various sites where programmes are being implemented.

(c) To ensure proper identification of beneficiaries and implementation Panchayats should more be involved in keeping with the spirit of 73rd Amendment. There should be standard guidelines by the Centre to involve the Panchayats in identification and implementation of the various Programmes and Schemes.

(d) There should be set guidelines regarding the maintenance of assets created under different programmes. Block Development Officers and Panchayats should be equipped with more infrastructure to ensure the proper maintenance of assets. The problem of supervisory/technical staff might be solved by placing officials of the State Departments viz., Public Works Department, Irrigation, PHE, E&D and Health Department etc. on deputation basis. Sufficient supervisory technical staff to maintain the accounts and perform Secretarial duties should be provided to panchayats to enable them to ensure proper maintenance of assets. To cater to the need of infrastructure Panchayats/BDOs should be provided adequate funds.

(e) Employment Assurance Scheme Programme should be accorded priority. It is very unfortunate that, given the huge under- employment and un-employment in the country, programmes like EAS fail to achieve the desired results. There should not be compartmentalisation of the programme. To give a boost to the employment scenario, this programme should be launched in a holistic manner. There should be sufficient thrust to the programme by publicity campaign through media to motivate the masses. Government should accord adequate priority to ensure full employment to rural masses.

(f) Linkages amongst the various agencies of implementation viz., Centre, State and local bodies should be strengthened to have coordination and 100% implementation of funds.

(g) The implementation of the respective Schemes by best performing States should be circulated to the other States to motivate them. Further, there should be some sort of incentives to the best performing States.

(h) **MPs and MLAs should be associated with the implementation of various Schemes/Programmes launched by the Department. There should be standard guidelines by the Centre in this regard.**

10.3 **The Committee would like to recommend that while formulating strategies for Ninth Plan, Government should consider various observations and recommendations of the Committee as given in the preceding paragraphs of the Report. As regards outlay for different Schemes/Programmes during Ninth Plan, they urge that there should be appropriate enhancement of outlay in view of the recommendations of the Committee with regard to each of the Schemes/programmes.**

NEW DELHI;
August 28,1996
Bhadra 6, 1917 (S)

SONTOSH MOHAN DEV,
Chairman,
Standing Committee on Urban and Rural Development.

ANNEXURE I

THE DETAILED DEMANDS FOR GRANTS OF THE DEPARTMENT OF RURAL EMPLOYMENT AND POVERTY ALLEVIATION

(Rupees in thousands)

Sl. No.	Name of the Scheme	Major H. of Account	Budget Estimates, 1995-96	Revised Estimates, 1995-96	Budget Estimates 1996-97		
					Revenue	Capital/ Loan	Total
1	2	3	4	5	6	7	8
PLAN SCHEMES							
SPECIAL PROGRAMMES FOR RURAL DEVELOPMENT							
1	**Integrated Rural Development Programme:**						
	(a) Direction and Administration	2501	10000	10000	10000	—	10000
	(b) (i) Subsidy to District Rural Development Agencies	2501	5495000	5495000	5345000	—	5345000
	(ii) Rural Artisans	2501	400000	400000	400000	—	400000

1	2	3	4	5	6	7	8
(c)	Research and Evaluation	2501	15000	15000	15000	—	15000
(d)	Assistance to Voluntary Agencies-CAPART	2501	15000	15000	15000	—	15000
(e)	Expenditure in U.Ts without Legislature	2501	100	100	100	—	100
(f)	Pilot Projects of Innovative Nature	2501	500	500	500	—	500
		3601	2500	2500	2500	—	2500
		3602	500	500	500	—	500
(g)	Premium to Life Insurance Corporation of India	2501	200	200	200	—	200
(h)	Strengthening of Block	2501	4000	4000	4000	—	4000
	Level Administration	3601	157300	157300	157300	—	157300
		3602	200	200	200	—	200
(i)	Setting up of Monitoring Cell	2501	1000	1000	1000	—	1000
		3601	3000	3000	3000	—	3000
		3602	200	200	200	—	200

1	2	3	4	5	6	7	8
	(j) Contribution to risk fund for Consumption Credit	3601	3000	3000	3000	—	3000
	(k) Recurring Expenditure under TRYSEM	2501	452500	452500	452500		452500
	(l) Economic Census (1996)	2501	—	—	4300	—	4300
		3601	—	—	145700	—	145700
	Total I.R.D.P.		6560000	6560000	6560000		6560000
2	Training of Rural Youth for	2501	500	500	500	—	500
	Self Employment (TRYSEM)	3601	139300	139300	139300	—	139300
		3602	200	200	200	—	200
			140000	140000	140000	—	140000
3	Drought Prone Areas Programme (DPAP)	2501	1250000	1250000	1250000	—	1250000
4	Desert Development Programme (DDP)	2501	1000000	1000000	1000000	—	1000000
TOTAL SPECIAL PROGRAMMES FOR RURAL DEVELOPMENT			8950000	8950000	8950000	—	8950000

1	2	3	4	5	6	7	8
RURAL EMPLOYMENT							
5	Jawahar Rozgar Yojana (JRY)	2505	31103400	23572200	15060300	—	15060300
		3601	7500500	5968700	3582200	—	3582200
		3602	16100	9100	7500	—	7500
			38620000	29550000	18650000	—	18650000
6	Indira Awaas Yojana (IAY)	2216	0.00	3890000	9677000	—	9677000
		3601	0.00	1025300	2253000	—	2253000
		3602	0.00	3500	10000	—	10000
			0.00	4918800	11940000	—	11940000
7	Million Wells Scheme (MWS)	2515	0.00	1630000	3570000	—	3570000
		3601	0.00	476500	900000	—	900000
		3602	0.00	3500	10000	—	10000
			0.00	2110000	4480000	—	4480000

1	2	3	4	5	6	7	8
8	Employment Assurance Scheme (EAS)	2501	15700000	18160000	19700000	—	19700000
	TOTAL-RURAL EMPLOYMENT		54320000	54738800	54770000	—	54770000
OTHER RURAL DEVELOPMENT PROGRAMMES							
9	Development of Women and Children in Rural Areas (DWCRA)	2515	650000	650000	650000	—	650000
TOTAL-OTHER RURAL DEVELOPMENT PROGRAMMES			650000	650000	650000	—	650000
HOUSING							
10	Rural Housing	2216	5000	—	—	—	—
		3601	440000	1200			
		3602	5000	—	—	—	—
TOTAL-HOUSING			450000	1200	—	—	—
TOTAL-PLAN			64370000	64340000	64370000	—	64370000

ANNEXURE-II

SCHEME-WISE OUTLAY—PROPOSED, AGREED AND BUDGETARY SUPPORT FOR 1996-97 : DEPARTMENT OF RURAL EMPLOYMENT & POVERTY ALLEVIATION

(Rs. in crores)

S.No.	Scheme	Proposed by Ministry	Alloc. Indicated during Plan discussion	Final allocation
1.	J.R.Y.	5000.00	1955.00	1865.00
2.	E.A.S.	2500.00	2200.00	11970.00
3.	I.A.S.	—	2000.00	1194.00
4.	M.W.S.	—	500.00	448.00
5.	I.R.D.P.	1000.00	1000.00	656.00
6.	T.R.Y.S.E.M.	242.00	20.00	14.00
7.	D.W.C.R.A.	130.00	100.00	65.00
8.	D.P.A.P.	200.00	125.00	125.00
9.	D.D.P.	165.00	100.00	100.00
	Total	9500.00	8000.00	6437.00

SUMMARY OF OBSERVATIONS AND RECOMMENDATIONS

Sl. No.	Para No.	Observation/Recommendation
1	2	3
1.	2.4	The Committee observe that the total outlay of the Department has been pegged at the level of BE 1995-96. Rural areas of the country account for nearly three fourth of the size of the country and have a much larger concentration of people living below the poverty line. The Department is dealing with poverty alleviation in rural areas and is giving attention to various specific programmes which envisage a direct and frontal attack on rural poverty alleviation that needs utmost importance. The Committee feel that the plan outlay of Rs. 6437.00 crores for 1996-97 is not sufficient to meet the target fixed for different schemes of the Department. Even the Department in the written replies furnished before the Committee have stated that due to inflation, the physical achievement will be less than what was achieved last year with the same allocation. The Commitee note that the Department placed before the Planning Commission an outlay of Rs. 9500.00 crores out of which Rs. 6437.00 crores *i.e.* the same allocation as BE 1995-96 has been allocated. The Committee are concerned about the lesser allocation which will adversely affect the targets fixed by the Department as acknowledged by them. The Committee are also concerned over the outlay made by the Planning Commission over proposed outlay of the Department and recommend that outlay for 1996-97 should be increased from Rs. 6437.00 crores to Rs. 9500.00 crores as proposed by the Department.

1	2	3
2.	2.5	As per the written information forwarded to the Committee the actual expenditure is Rs. 6395.85 crores against the total outlay of Rs. 6437.00 crores, during 1995-96. Thus there was an unspent balance of Rs. 41.15 crores during 1995-96. Similarly, during 1994-95 an amount of Rs. 5596.01 crores were actually spent against an outlay of Rs. 5965.00 crores resulting in an unspent balance of Rs. 368.09 crores. On the one hand the Department feels the outlay to be low in comparison to the proposal made during the plan discussions and on the other hand whatever meagre amount is available with the Department, could not be spent fully. In view of the above, the Committee recommend that the amount available with the Department should be spent fully. Simultaneously the Department should find out ways-and-means to avoid continous accumulation of unspent balance over the years.
3.	2.9	The Committee note that the restructuring and reallocation of activities between the two Departments of Ministry of Rural Areas and Employment has been effected since months back. But the Department of Rural Employment & Poverty Alleviation continues to charge amounts like the Secretariat–Economic Services from the Head of Account of Department of Rural Development (Demand No. 711). In the detailed Demands for Grants 1996-97 forwarded to the Committee the allocation under the Secretariat–Economic Services has not been separated/segregated specifically for the Department of Rural Development & Department of Rural Employment & Poverty Alleviation. The Committee also note that if the allocation made under the major head 3451 for the Department of Rural Employment & Poverty Alleviation is added to the existing

1	2	3
		demand of the Department of Rural Employment & Poverty Alleviation during 1996-97, the total allocation will exceed the allocation of Rs. 6437.00 crores for Department of Rural Employment & Poverty Alleviation alone and hence will also exceed Rs. 23,884.00 crores of the 8th plan outlay fixed for the Department of Rural Employment and Poverty Alleviation. In view of the above, the Committee as such, recommend, the major head 3451 depicting Secretariat–Economic Services head should be reallocated separately for Department of Rural Development & Department of Rural Employment & Poverty Alleviation. Moreover the Committee feel that the Department of Rural Employment & Poverty Alleviation should have their separate Secretariat head and should show the expenses made on this item under the non-plan head of the Department of Rural Employment & Poverty Alleviation under Demand No. 73.
4.	2.11	The Committee note with concern, the huge accumulation of unspent balances over the years in each of the Schemes mentioned above since their inception. The Committee regret to note that for Rural Housing the information on unspent balances were not available with the Department. The Committee would like to know the reasons for accumulation of huge unspent balances scheme-wise . The Committee need hardly emphasise that given the huge task of alleviating rural poverty, the Department can hardly make any room for unspent balances under any Scheme. The Committee recommend that the amount released for each Scheme should be spent fully.
5.	2.14	The Committee feel the Department of Rural Employment & Poverty Alleviation's calculation

1	2	3
		to eradicate rural poverty by 2005 AD (*i.e.* in another 9 years) seems to be over ambitious. During the course of evidence, even the Secretary while expressing the actual impact of one of the Programmes being implemented by the Department opined that about 15 percent of the people only have crossed the poverty line if we take Rs. 11,000/- as the poverty norm. Pointing out to the programme he continued: "Similarly on the IRDP programme some of those who have gone out of the poverty track might have came back" In view of the above, the Committee recommend the Department to chalk out a realistic time frame of 115 to 20 years by which the rural poverty can be eliminated completely. The Committee also recommend the Department to demand a sizable amount of the plan outlay to meet this enormous task.
6.	2.15	The Committee note that the existing calculation of people living below poverty line by the Planning Commission is based on a survey conducted during 1987-88. Since then, 9 years has been passed and Indian economy has undergone many changes, during this period. The Committee feel such old estimates of people living below poverty line does not reflect a correct position. Therefore, the Committee urge the Department to request the Planning Commission for an up-to-date estimation of people living below the poverty line.
7.	2.16	The Committee observe that the existing poverty estimates are derived by using the poverty line of Rs. 132.00 per Capita per month for rural areas and Rs. 1152.3 per capita per

1	2	3
		month for urban areas at 1987-88 prices, corresponding to the poverty lines of Rs. 49.10 and Rs. 56.60 respectively for 1973-74. During the 8th Five Year Plan this poverty line is updated and has been fixed by the Planning Commission at Rs. 11000.00 at 1992-93 prices and at present there are 28.37% people living below the poverty line. The Committee also observe, that as per the calculations made by different State Governments the percentage of people living below poverty line is as high as 52%. In view of the above, the Committee recommend the Department to urge the Planning Commission to conduct a realistic calculation of Poverty line which depict the correct position on the ground to fix the future programmes and priorities with regard to various programmes launched by Government for Rural Employment and Poverty Alleviation.
8.	3.6	The Committee note that under IRDP there is no increase in the outlay for 1996-97 as compared to the budget estimates of 1995-96. Further as per the written note furnished to the Committee, subsidy to DRDAs was reduced from Rs. 549.50 crores to Rs. 534.50 crores (*i.e.* net reduction of Rs. 15.00 crores.) They feel that the performance of IRDP would be adversely affected due to this reduction in subsidy.
9.	3.7	It is noted that considering the challenging task of Poverty Alleviation before the country an outlay of Rs. 656.00 crores during 1996-97 is not sufficient. They would like to recommend that the outlay should be substantially stepped up keeping-in-view the higher proposed outlay *i.e.* Rs. 1000.00 crores.
10.	3.8	The Committee note that per family investment during 1994-95 for an old family beneficiary *i.e.* Rs. 6764.00 and also per family investment for a new family beneficiary of Rs. 10312.00 is not sufficient for a person to come out of the poverty line. They feel that the target chasing exercise by the Department does not allow the

1	2	3
		beneficiaries to come out of the poverty line in one go. It is recommended that Government should judge the performance of the scheme qualitatively *i.e.* a person crossing the poverty line, instead of quantifying *i.e.* number of beneficiaries assisted under the programme. To achieve this objective it is recommended that per family investment should be substantially stepped up to enable a person to establish himself and cross the poverty instead of spreading the money so thinly and chasing the targets.
11.	3.9	The Committee note that there is provision in the Scheme to provide second dose of assistance to the beneficiaries if they do not come out of the poverty line by giving initial assistance under the programme. They would like to recommend that more emphasis should be given to provide this second dose of assistance to achieve the qualitative results under the programme.
12.	3.10	The Committee note that Banks *viz.*, Commercial, Cooperative and Rural Banks play a very important role in the implementation of the Scheme. It is regretted to note that the performance of banks is not satisfactory. The Committee note that not only there is abnormal delay in disposal of loan applications but there is bulk rejection of loan applications on flimsy grounds. The Committee feel that the loan should be advanced to the individuals keeping in view the position of the person and the viability of the project.
13.	3.11	The Committee observe during the course of oral evidence that reason advanced by banks for bulk rejection of application is that recovery position is not good. As per the written information furnished by the Department the

1	2	3
		percentage recovery of Bank loans (*viz.* Commercial, Cooperative, & Rural) was 28.76 per cent. It is noted that the Department has not furnished the bank-wise data regarding recovery separately for Commercial, Cooperative and Rural Banks. The Committee during evidence observed that the position of recovery in rural and cooperative banks was much better than the Commercial Banks. They recommend that the bank-wise data separately for Commercial, Cooperative and Rural Banks should be maintained. The Department should also take corrective steps with respect to the poor recovery rate of Commercial Banks as compared to the Cooperative and Rural Banks.
14.	3.12	The Committee find that the plea advanced by the banks for the poor performance of banks with regard to disbursement of loans is that the recovery position is very poor. The Committee further note that the quantum of unrecovered loan from beneficiaries is not that high, when compared to the statistics of loan recovery from large industrial houses or even medium and small commercial/industrial houses. The Committee do appreciate the constraints being faced by the banks and suggest that the State Governments should also take necessary steps to help banks in the recovery of loans in coordination with DRDAs etc. Hence, the Committee feel the plea of banks that realization of loans from the beneficiaries is poor, cannot be accepted as a ground for the refusal of loan to the beneficiary.
15.	3.13	It is also noted that Banks do not advance the maximum amount of loan (i.e. credit part) to the beneficiaries which is an impediment in the qualitative success of the programme. The

1	2	3
		Committee expresses it's displeasure that so far no significant improvement in the approach of banks have been contemplated. They recommend that the Department should take up the matter with RBI and the RBI should issue necessary instructions to the Scheduled Banks to cooperate in advancing the loan and also giving the maximum advance per beneficiary under the rules.
16.	3.14	The Committee note with concern that in spite of the repeated attempts with regard to improvement in the disbursement of loan made by the Ministry of Finance on the request of the Ministry of Rural Areas & Employment during the last two years, the disbursement of loan by banks is not still satisfactory. Loan admissible under the Scheme is not advanced to the beneficiaries fully and as such the beneficiaries are not able to properly utilise the money on the specific project for which the loan has been sanctioned. The Committee feel that this is the major cause for non-recovery of bank loans, as the beneficiary feel, there is no need to return the money. In view of the above, the Committee recommend that the selection of beneficiary, the Scheme and the disbursement of bank loans should be realistic and transparent so that the programme becomes successful.
17.	3.15	The linkages between IRDP and its 3 components could not be established as per the concurrent evaluation of 1992-93. Only 2.13% of the families assisted under IRDP reported that they were assisted under DWCRA and another 3.88% of the beneficiaries reported receiving training under TRYSEM. In view of

1	2	3
		the above, the Committee recommend that the Department should initiate corrective actions to establish the linkages between IRDP & it's components in keeping with the provisions of the guidelines.
18.	3.19	The Committee observe that the supply of improved tool kits to Rural Artisans is a sub–scheme of IRDP and an outlay for the scheme during 1995-96 is Rs. 40.00 crores. They observe that during 1995-96 there was huge unspent balance amounting to Rs11.30 crores as compared to the small size of the Scheme. The Committee would like he explanation of the Department in this regard. It is also recommended that the Scheme should be monitored properly to ensure its proper implementation.
19.	3.23	The Committee note that there is mismatch between the physical and financial achievement during 1995-96. The physical achievement has been stated as 75.92% against the financial achievement by 96.93%. The Committee would like to have an explanation of the Government in this regard.
20.	3.24	The Committee note that out of 35310 Groups started by 1995-96, 2126 Groups are found to be defunct. The Committee would like to have the explanation of the Department in this regard.
21.	3.25	The Committee note that DWCRA is a good programme for upliftment of women and children in rural area whereby women with the additional income to the family can help the family in crossing the poverty line. However it is noted that there are serious flaws in the

1	2	3
		implementation of the Scheme. The Committee would like to urge that the Scheme should be properly monitored so that the benefit of the Scheme goes to the really needy persons. It is also recommended that the various activities under the Scheme should be monitored properly.
22.	3.31	The Committee note with concern the unsatisfactory physical and financial performance of the Scheme of TRYSEM. As per the written information forwarded to the Committee the financial achievement of TRYSEM was 64.21 per cent during 1994-95 and 99.71 percent during 1995-96. Similarly the physical performance of the Scheme during 1994-95 and 1995-96 was 88.48 and 70.81 percent respectively. The Committee would like to have an explanation of the Department regarding the unsatisfactory performance of TRYSEM during the above years.
23.	3.32	As per the written information forwarded to the Committee quick evaluation of TRYSEM last conducted during 1993 found 47.19% of the beneficiaries were employed after training. The Committee would like to know the reasons of unemployment of targeted beneficiaries. The Committee note that at present there is no proper in-built mechanism for rehabilitation of a TRYSEM beneficiary after he/she obtains training, by which the beneficiary can obtain further assistance from the nodal agency (i.e. DRDA). The Committee feel that some rehabilitation scheme for the TRYSEM beneficiary should be in-built in the guidelines of TRYSEM. They would like to recommend that corrective measures should be initiated by the Department to make TRYSEM scheme a success.

1	2	3
24.	3.33	The Committee note with concern the findings of the quick evaluation of TRYSEM in which it was found that a major portion of TRYSEM trainees, i.e. 53.57% did not apply for loan under IRDP. The Committee find during the training period the beneficiaries could not be motivated enough to accept the IRDP loan after the completion of the training. They also note the guidelines of TRYSEM stipulate every TRYSEM trainee to be a potential IRDP beneficiary. Equal alarming is the fact that of the total beneficiaries who applied for loan under IRDP (i.e. 46.43%) only about 50% of them were given assistance under IRDP. Thus the Committee finds that the linkages between IRDP and TRYSEM have not been established so far. In view of the above, the Committee recommend that the linkages between the IRDP and TRYSEM should be established and strengthened as per the guidelines.
25.	3.34	The Committee feel the training provided under TRYSEM should cater to the local needs to make the programme more realistic. The Committee desire the guidelines of TRYSEM should be modified keeping in view the particular need of a particular area. In this regard, the Committee recommend the Department to establish mini ITIs to see that the local talent available can be harnessed and subsequently gainfully employed.
26.	4.9	The Committee note that there is a reduction of outlay for JRY during 1996-97. The outlay for JRY during RE 1995-96 was Rs. 2955.00 crores whereas the BE 1996-97 has been reduced to Rs. 1865.00 crores during 1996-97. The Committee observe that the performance of JRY will be adversely affected by this reduction. The Committee, therefore, recommend that Department to enhance the allocation for JRY.

1	2	3
27.	4.10	As per the written reply forwarded to the Committee during 1995-96, physical achievement of 895.82 million mandays was achieved against the target of 848.00 (% achievement being 105.64%) against the financial achievement of 95.46%. The Committee would like to know the reasons for this mismatch and would like to urge the Department to fix the physical target achievement *vis-a-vis* financial achievement under JRY, realistically.
28.	4.11	The Committee note that a major restructuring of JRY has been undertaken from 1.1.96 as a result of which only 2 component of JRY exist at present. They note the 1st component i.e. General-JRY has 75% of the annual funds allocation whereas the 2nd component i.e. Innovative-JRY has 5% of the annual JRY allocation. The Committee regret to note that existing guidelines are silent on the allocation of rest 20% of JRY funds. They urge the Government to issue a clear-cut guide-line depicting 100% allocation of JRY funds.
29.	4.12	The Committee note that there are complaints in the States about the uniform application of the guidelines issued by the Centre. They also note often, guidelines are never followed scrupulously. In view of the above, the Committee recommend that monitoring of different Schemes under JRY should be further strengthened.
30.	4.13	As per the written information forwarded to the Committee funds under JRY are earmaked for taking up special and innovative projects resulting in sustained employment. They note that construction of Middle and Senior

1	2	3
		Secondary Schools are not taken up under JRY. The Committee therefore, recommend that under JRY provision for construction of Middle and Senior Secondary Schools both for the Science and Non-Science faculties be taken up.
31.	5.3	The Committee note that physical achievement under IAY during 1995-96 was 86.30% (i.e. Achievement of 8.63 lakh houses against target of 10.00 lakh houses) against the financial achievement of 106.92% (*i.e.* Achievement of Rs. 1170.78 crores against the target of Rs. 1094.99 crores.). The Committee would like to know the reasons for this mismatch and would like to urge the Department of to set the physical targets realistically under the Yojana.
32.	5.4	As per the written information forwarded to the Committee the permissible expenditure on a house has been increased recently to Rs. 20,000.00 in plains and Rs. 22,000 in hill areas. The Committee note that even with the increased amount it is difficult to build a durable house under the Yojana. They also note, cost for constructing a house in perennially cyclone and flood prone areas is as high as the cost of a house in the hilly area. Therefore, the Committee urge the Department to rationally enhance the permissible assistance for construction of a house and suitably modify the guidelines to treat perennially cyclone and flood prone areas equally with the hilly areas.
33.	5.5	The Committee note that the allocation of Rs. 1194.00 crores for 1996-97 is almost same as the expenditure of Rs. 1170.78 crores made during 1995-96. However, the Department has increased the physical target for 1996-97 to Rs. 11.26 lakh houses against the achievement of 8.63 lakh houses during 1995-96. The

1	2	3
		Committee fail to understand the rationale as how the set physical target of 11.26 lakh houses will be achieved when the permissible-expenditure per house has been increased. In view of the above, the Committee recommend the Department to fix realistic physical targets.
34.	5.6	On a query how Rs. 0.60 lakhs has been spent under IAY in Delhi during 1989-90 period without building any house, the Department in their written reply have stated that Delhi Government has not reported physical achievement despite reminders. The Committee are constrained to note that no concrete action has been taken so far by the Department on such mis-utilisation of funds. The Committee recommend for a strict action against the defaulting States/UTs. In view of the above, they recommend that monitoring of IAY expenditure should be strengthened.
35.	5.7	The Committee find different States/UTs do not follow uniform pattern for the involvement of elected representatives during the selection of beneficiaries under IAY. In this regard, the Committee recommend the elected representatives both at the Centre and State's level should be involved in the selection of beneficiaries under IAY and the guidelines should be modified accordingly to reflect these changes.
36.	5.8	On the question what are the reasons for vacancy of built houses under IAY, the Department in the written reply have stated that in a few cases houses built under IAY were not occupied by the beneficiary as the sites were away from the main habitations or work places. Similarly, on another question what are the reasons for non-availability of essential facilities

1	2	3
		in the constructed houses, the Department in the written reply have stated that the beneficiary is supposed to construct these facilities in his/her house and in some areas these facilities are not being used by the beneficiaries due to their living habits and life style. As per the CA&GI Report No. 2 of 1995 there are a large number of houses constructed under IAY which lacked sanitary facilities and were lying vacant. In view of the above, the Committee recommend that guidelines of IAY should be suitably modified to incorporate that in no cases the houses built under IAY should be located at far away places from the main habitations/work places/hospitals/schools. They also recommend the guidelines should incorporate that no house built under IAY should lack basic amenities, specifically the sanitation.
37.	5.11	The Committee note that only 0.27 per cent financial target has been made under the scheme during 1995-96 i.e. an expendiure of Rs. 0.12 crores against an allocation of Rs. 45.00 crores. Similarly as per the written information forwarded to the Committee the likely expenditure of this Scheme is likely to be Rs. 46.01 crores during 1992–97 against the 8th Plan outlay of Rs. 350.00 crores. The Committee are constraint to note the poor utilisation of financial allocations under the Scheme. The Committee would like to know the reasons for such poor utilisation of funds.
38.	6.3	The Committee note that during 1995-96 there was an expenditure of Rs. 538.50 crores against target of Rs. 559.07 crores for the Scheme. They also note that physical performance of the Scheme has decreased from 1.59 lakh wells during 1994-95 to 1.43 lakh wells during

1	2	3
		1995-96. As per the written reply furnished to the Committee the physical targets under the Scheme is not fixed. The Committee recommend now that the MWS has been made a separate Scheme, some physical targets should be fixed under the Scheme to correctly judge it's performance.
39.	6.4	As per the written reply furnished to the Committee apart from the Wells, other Scheme of minor irrigation like irrigation tanks, water harvesting structure and the development of lands are undertaken this Scheme. The Committee note that the Department at present does not maintain separate information on the other Schemes. In view of the above, the Committee recommend the Department to procure and maintained separate information on the other Schemes of MWS.
40.	6.5	On the question what the Department is doing to avoid cases of (i) abandonment the construction of wells, (ii) failure of wells, and (iii) deviation from the guidelines for permitting boring of wells or tubewells, the Department in the written reply have stated that the success of MWS should not solely be judged by the number of wells constructed during the year. Rather there are other activities on which MWS funds are being utilised. The Committee find the existing monitoring mechanism of the Scheme is not taking into account the ground realities. They recommend that the Department should properly monitor the Million Wells Scheme.
41.	6.6	The Committee feel that to make the Million Wells Scheme a success, the Department should update the data for the level of ground water

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		table at regular intervals. In this regard they recommend the Department should procure up-to-date information of the ground water table.
42.	7.4	The Committee note the satisfactory financial achievement of targets under EAS during 1994–96 period. They also note that the physical achievement under EAS is increasing from 273.96 million. mandays during 1994-95 to 342.79 million mandays during 1995-96. As per the written information forwarded to the Committee the total available funds under EAS during 1995-96 was Rs. 2671.45 crores out of which an expenditure of RS. 1717.31 crores were made. Thus the percentage expenditure to total availability of funds become 64.28% during 1995-96 which was 69.59% during 1994-95 and 33.48% during 1993-94. Therefore, the Committee recommend the Department to fully utilise the available resources under the scheme.
43.	7.5	As per the information furnished by the Department total number of EAS blocks in the country are 5452. Out of this 3206 blocks have been reported as covered under EAS. The remaining blocks numbering 2246 are yet to be covered. The Committee would like to recommend that Department should cover half of the not covered blocks i.e. 1136 during 1996.97.
44.	7.6	As per the written information forwarded to the Committee EAS is under operation in the blocks which are situated mainly in the drought prone areas, desert areas, tribal areas and hilly areas in which the Revamped Public Distribution System (RPDS) is in operation. The Committee find the classification of block for

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		the implementation of EAS is not fool-proof. The Committee feel and recommend, more funds should be provided to those blocks where concentration of SCs/STs is more and their condition is depressant/backward.
45.	8.3	The Committee appreciate the near full utilisation of financial targets under DPAP during 1994–96 period. As per the written reply of the Department a target of 4957 watershed projects has taken up for 1995–2000 period. The Committee find the physical progress of these projects during 1995–96 has not be provided. In view of the above the Committee recommend the Department to clearly monitor the progress made under the Scheme in recent years.
46.	8.4	As per the written information forwarded to the Committee the Programme Evaluation Organisation (PEO) of Planning Commission has recently completed an evaluation study of DPAP in January 1995 which says watershed approach for integrated areas development was not adopted except in limited cases. The Committee would like to know why the watershed approach has not become successful for area development. The Committee would like to urge the Department to take immediate corrective steps in this regard.
47.	9.3	The Committee appreciate the near full utilisation of financial targets under DDP during 1995-96. As per the written reply of the Department a target of 1695 new watershed projects for 1995–2000 period. The Committee find the physical progress of these new

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		watershed projects has not be provided while the corresponding allocation has been demanded. Therefore, the Committee recommend the Department to mention and clearly monitor the progress made under the Scheme in recent years.
48.	9.4	As per the written information forwarded to the Committee watershed project approach for the programme has been adopted for the development drought prone areas. Further, the Committee also find the same approach being followed by other programmes/Schemes like DDP and certain Schemes of Department of Wastelands Development. In view of this the Committee recommend the Department to initiate proper coordination among the different implementing agencies so to avoid duplication of activities.
49.	10.1	After detailed and in-depth examination of the implementation of various Schemes/ Programmes during 8th Plan in the light of information furnished by the Department, the main observations/recommendations of the Committee are as noted below: (a) The Committee observe that actual allocation during the 8th Plan for the various Schemes/Programmes is far less than the 8th Plan outlay. Out of the outlay of Rs. 23884.00 crores, the actual allocation as per the data furnished by the Department is Rs. 20,828.46 crores after excluding the outlay of Rs. 4740.00 crores for Employment Assurance Scheme. Thus there is net underspending of Rs. 3055.54 crores under different Plan

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		Schemes, during the 8th Plan. It is needless to say here that due to the underspending in different programmes/Schemes, the poorest of the poor in the country is suffering. The Committee would like that during Ninth Five Year Plan, there should be proper planning and financial projection should be realistic for each programme/scheme, so that there is 100% utilisation. They urge that there should not be diversion of funds from one Scheme to the other. The Committee urge that the backlog of the 8th Plan outlay should be appropriately allocated in the different Schemes/ programmes.
	(b)	Not only there is under-allocation and underspending in the 8th Plan outlay for different Projects/Schemes, but release of funds to States are lesser than the allocation. Another notable alarming feature is that there are huge unspent balances left with the States. In some of the States, the utilisation is marginal in specific programmes. The Committee also observe that under different programmes of the Department, States are not allocating the matching share. They would like that while chalking out the strategy for Ninth Plan, Government should reconsider and review the programmes. If needed, the schemes/programmes not performing well should be restructured.

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		(c) The various factors responsible for the non-implementation of the various Schemes/Programmes of the Department are:— (i) the monitoring of the scheme is not adequate. States are not furnishing the Utilisation Certificate and unspent balances are increasing year by year (ii) States are not contributing the matching share as per the guidelines (iii) the financial allocation is not adequate (iv) there is lack of linkages which results into the blocking of funds with State Governments and with local bodies in the States (v) Identification of beneficiaries is not proper (vi) There is not adequate provision for the maintenance of assets created under the different programmes.
		(d) (i) Financial institutions play a major role in many of the Poverty Alleviation Programmes being implemented in the country. But most often it is found banks stand as a bottleneck on the way of effective in processing the loan applications but there is bulk rejection of applications but there is bulk rejection of application. to overcome this difficulty, the Committee urge the Department to fix a time limit of 10 to 15 days for sanction of loans by banks under any poverty alleviation Scheme/ Programme. (ii) The Committee find in some of the Programmes/Schemes like of IRDP etc. banks are being involved in the selection of beneficiaries. It is also found banks reject the loan applications during scrutiny. Thus the banks reject

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		those applications during scrutiny which they themselves have selected earlier. The Committee express their unhappiness over the misuse of scrutinising role of banks. They recommend that Department should review the scrutinising power of financial institutions especially for the programmes/schemes in which the institutions are involve in the process of selection of beneficiaries.
	(e)	As per the written information forwarded to the Committee the permissible limit for programme infrastructure under IRDP has been increased from 10% to 25% in North-Eastern States including Sikkim and from 10% to 20% in other parts of the country w.e.f. 1.1.1996 so that the projects can support adequate forward and backward linkage. The Committee note that similar steps for increase in the permissible limit for programme infrastructure under all other Schemes/ Programmes be increased suitably.
	(f)	The Committee note that at present the Department does not maintain separate Scheme-wise date for the defaulter States which don't release matching State share of funds under different Schemes. In view of the above, the Committee recommend the Department to maintain and provide separate year-wise data for the defaulter States which don't release matching State share of funds under different schemes.
	(g)	The Committee find that under several programmes/schemes investment per

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		project is so little or even negligible that the programmes/schemes become unviable. This makes many of the programmes expenditure oriented rather than result oriented, through their distribution of funds. They find the Department does not make any effort to rise the per capita investment per project either by allocating more strers or a wider coverage in terms of numbers of funds or by reducing the numerical targets. Thus the Department ends up in laying more stress on a wider coverage in terms of numbers of beneficiaries or even over-achievement of targets.
50	10.2	The Committee would like to recommend that:—
		(a) Government should consider to enhance the Central's share in the respective Schemes where the implementation of the Scheme is poor due to the fact that States are not providing the matching share.
		(b) Monitoring of the programme should further be strengthened. It should be ensured that States furnish the Utilisation Certificate timely. It should also be ensured that quarterly, monthly and annual report are submitted in time by States. There should be timely review of the programme. It is noted that C&AG cover selective Scheme for review. In most of the Schemes no review has been made. The Committee would like to suggest that timely evaluation by some independent agencies should be made. Further there should be concurrent evaluation of the programmes. District level the programme. Further, monitoring by the

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		Centre should be strengthened. There should be surprise visits by the officials of the Committee to the various sites where programmes are being implemented.
		(c) To ensure proper identification of beneficiaries and implementation Panchayats should more be involved in keeping with the spirit of 73rd Amendment. There should be standard guidelines by the Centre to involve the Panchayats in identification and implementation of the various Programmes and Schemes.
		(d) There should be set guidelines regarding the maintenance of assets created under different programmes. Block Development Officers and Panchayats should be equipped with more infrastructure to ensure the proper maintenance of assets. The problem of supervisory/technical staff might be solved by placing officials of the State Departments *viz.*, Public Works Department, Irrigation, PHE, E&D and Health Department etc. on deputation basis. Sufficient supervisory technical staff to maintain the accounts and perform Secretarial duties should be provided to Panchayats to enable them to ensure proper maintenance of assets. To cater to the need of infrastructure Panchayats/BDOs should be provided adequate funds.
		(e) Employment Assurance Scheme Programme should be accorded top priority. it is very unformtunate that, given the huge underemployment and unemployment in the country,

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			programmes like EAS fail to achieve the desired results. There should not be compartmentalisation of the programme. To give a boost to the employment scenario, this programme should be launched in a holistic manner. There should be sufficient thrust to the programmes by publicity compaign through media to motivate the masses. Government should accord adequate priority to ensure full employment to rural masses.
		(f)	Linkages amongst the various agencies of implementation *viz.*, Centre, State and local bodies should be strengthend to have coordination and 100% implementation of funds.
		(g)	The implementation of the respective Schemes by best performing States should be circulated to the other States to motivate them. Further, there should be some sort of incentives to the best performing States.
		(h)	MPs and MLAs should be associated with the implementation of various Schemes/Programmes launched by the Department. There should be standard guidelines by the Centre in this regard.
51.	10.3		The Committee would like to recommend that while formulating strategies for Ninth Plan, Government should consider various observations and recommendations of the Committee as given in the preceding paragraphs of the Report. As regards outlay for different Schemes/Programmes during Ninth Plan, they urge that there should be appropriate enhancement of outlay in view of the recommendations of the committee with regard to each of the Scheme/Programme.